

INITIAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 42-213.231(d)(4)

Specific Purpose:

This section is adopted to expand the use of restricted account funds to families receiving CalWORKs benefits. This regulatory change will allow families to use their restricted account funds in combination with their Homeless Assistance Program (HAP) benefits to make rent payments or secure permanent housing.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11155.2(a), as amended by SB 1341, Chapter 485, Statutes of 2008. The statute provides recipients the ability to use funds in a restricted savings account to secure permanent rental housing or make rent payments to overcome an episode of homelessness.

Section 42-213.231(g)(4)

Specific Purpose:

This section is adopted to provide examples of acceptable expenses families receiving CalWORKs benefits may have when needing to use restricted account funds for housing. This adoption will help families who have already used their once-in-a-lifetime HAP payment to be able to use for housing any money they may have saved in a restricted account. Current Section 42-213.231(g)(4) is renumbered to (g)(5) for clarity and consistency.

Factual Basis:

This section is necessary to comply with Welfare and Institutions Code Section 11155.2(a), as amended by SB 1341, Chapter 485, Statutes of 2008, by providing examples of acceptable use of restricted account funds. SB 1341 allows CalWORKs clients who have a restricted account to spend these funds to pay for costs associated with securing permanent rental housing or to pay for rent arrearages to avoid becoming homeless.

Section 44-211.32

Specific Purpose:

This section is amended to add a cross reference to Section 42-213.231 and to add language that provides an exception for funds deposited in a restricted account when determining eligibility for a special needs payment. This amendment will give families receiving CalWORKs benefits another resource to use to prevent homelessness.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Section 11450(f), as amended by AB 1341, Chapter 485, Statutes of 2008 which established an exception for funds deposited into a restricted account.

b) Identification of Documents Upon Which Department Is Relying

Senate Bill 1341, Chapter 485, Statutes of 2008.

c) Local Mandate Statement

These regulations do impose a mandate upon local agencies, but not on school districts. There are no "state-mandated local costs" in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by the federal government within the meaning of Section 17513 of the Government Code.

d) Statement of Alternatives Considered

In developing the regulatory action, CDSS did not consider any other alternatives than the one proposed because there were no other alternatives proposed.

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made because this action only pertains to allowing an individual to use funds in a restricted

account to avoid homelessness and exempts funds deposited in that restricted account when determining eligibility for a special needs payment.

f) Economic Impact Assessment

The proposed amendments are not expected to have a direct impact on the creation or elimination of jobs, nor result in the elimination or expansion of existing businesses within the State of California. These amendments will improve the health and welfare of California residents by reducing the incidence of homelessness for recipients of CalWORKs cash aid. CalWORKs recipients represent the working poor who during these times of economic crisis find it more difficult to obtain and keep jobs that will support their families, including the ability to retain a home to live in. To the extent that poor families can use whatever savings they have to secure permanent housing while retaining eligibility for CalWORKs cash aid and services, it will increase the likelihood of stable employment resulting in a positive economic impact to the state.

The document relied upon in proposing this regulatory action is Senate Bill 1341, Chapter 485, Statutes of 2008.

g) Benefits Anticipated from Regulatory Action

This regulatory action will benefit families receiving CalWORKs benefits by allowing them to use their restricted account funds in combination with their HAP benefits to make rent payments to avoid an episode of homelessness or secure permanent housing. This regulatory action also exempts funds deposited in a restricted account when determining eligibility for a CalWORKs special needs payment.

h) Statement of Specific Technology or Equipment

This regulatory action will not mandate the use of new, specific technologies or equipment.